Allied-Signal Aerospace Company

Law Department
2525 West 190th Street
Torrance, CA 90504-6099
(213) 323-9500
Fax: (213) 512-5646

Allied Signal

July 31, 1992

VIA CERTIFIED MAIL

Mr. Chris Stubbs
South Coast Groundwater Section H-6-4
United States Environmental Protection Agency
75 Hawthorne Street
San Francisco, California 94105

Re: Allied Signal Aerospace Company
11600 Sherman Way
North Hollywood, California

Dear Mr. Stubbs:

On July 21, 1992, the Company submitted its response to your Request, dated May 22, 1992. In accordance with its previously submitted Response to Question 9, the Company hereby supplements its Response as follows:

SUPPLEMENTAL RESPONSE TO QUESTION 9

The Company further objects to Question 9 on the grounds that it is vague and ambiguous in that it requests "financial statements" filed with the Franchise Tax Board and the Internal Revenue Service but fails to define the term "financial statements." To the extent the Request seeks the Company's tax returns or the specific information contained therein, the Company objects to producing them. Without waiving any of its objections, the Company responds that it has received the following credit ratings from the companies indicated:

Moody's	A-
Standard & Poor	A3
Duff & Phelps	A
Fetch	A

In addition, enclosed as Appendix I is a copy of a Dun & Bradstreet ("D&B") report attesting to the company's credit worthiness. Based upon the annual report submitted to EPA on July 21, 1992 (and the financial statements contained therein), the Company's credit ratings and the D&B credit report, there is no question whatsoever that the Company has the financial resources to stand behind its potential responsibility, if any, with respect to the Site.

All terms not expressly defined herein shall have the meaning ascribed to them in the Company's two (2) letters to you, each dated July 21, 1992, and in the Response.

The Company's July 21, 1992 response and the above July 31, 1992 supplemental response fully answer Question 9. To the extent EPA interprets Question 9 as requiring confidential tax returns, such interpretation is unwarranted from the language of the question. Moreover, such an interpretation is, in the circumstances of this matter and this Company, overbroad and unreasonable. The Company's confidential tax returns are confidential, proprietary information and any inadvertent disclosure of such information could be extremely damaging to the Company's competitive position. The Company has provided comprehensive detailed information that permits EPA to make any necessary assessments concerning the Company's financial strength.

By contrast, the Company's confidential tax returns would not be of any significant relevance to EPA. The Company is a multinational corporation with worldwide operations, divisions and subsidiaries, and gross sales of approximately $12 billion. The Company's tax return is a consolidated tax return for all of the Company's operations. EPA personnel would be required to spend many weeks reviewing the Company's consolidated tax return <u>with</u> Company personnel simply to understand the information contained in the return.

In an effort to resolve this matter with EPA, we have had numerous discussions with Marcia Preston concerning EPA's position. In those discussions, we asked Ms. Preston to identify any authority EPA relies upon to assert a position that it is entitled to confidential tax return information. Ms. Preston referred us to a recent Pennsylvania decision concerning EPA's powers under Section 104(e), but could not recall the name of the case.

In response to Ms. Preston's comment and in an effort to respond fully and cooperatively to EPA's Section 104(e) request, we reviewed cases under Section 104(e). We have not found any decisions on point. We did locate a case decided in the Eastern District of Pennsylvania in January of this year in which EPA apparently sought income tax returns under Section 104(e) from a private individual. The decision was reported in <u>U.S. v. Barkman</u>, 784 F.Supp. 1181 (E.D. Pa. 1992). The <u>Barkman</u> case is not on point. In <u>Barkman</u>, EPA sought civil penalties against an individual PRP (not a corporation) for unreasonably delaying his compliance with EPA's information requests under Section 104(e). One of EPA's requests at issue in <u>Barkman</u> was for the PRP's personal income tax records. Importantly, the PRP did not contest EPA's right to obtain those records and the court did not address the question.

We understand from Ms. Preston that EPA is discussing whether to refer this matter to the Department of Justice to pursue independent claims for the Company's alleged failure to comply with Section 104(e). We think any such action under the circumstances would be unreasonable, unnecessary and inconsistent with the National Contingency Plan.

Protecting the confidential nature of the Company's tax return information outweighs the need for its disclosure in light of the fact that the Company has provided EPA with more than sufficient financial information to permit EPA to perform any necessary analyses. The actual consolidated tax return would be of no significant relevance to EPA. In sum, we believe that the Company's response fully complies with the Request dated May 22, 1992 and Section 104(e).

In the event that EPA is inclined to pursue this issue further, the Company hereby requests a formal conference with EPA and the Department of Justice to discuss any such action.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

Kenneth J. Berke

Kenneth J. Berke
Attorney

cc: Nancy A. Girten (w/encl.)
Juli Marshall, Esq. (w/encl.)

KJB92270.LTR

APPENDIX I

03/12/92

OFFICE # 678

This report has been prepared for

678 06786726
PAGE 001

QUESTION 9

DUNS: 13-969-1877	DATE PRINTED	SUMMARY
ALLIED-SIGNAL INC	MAR 12 1992	RATING 5A2
BOX 2245R	MFG AEROSPACE	STARTED 1899
MORRISTOWN NJ 07962	SYSTEMS &	PAYMENTS SEE BELOW
COLUMBIA ROAD & PARK AVE	COMPONENTS,	SALES F $11,831,000,000
AND BRANCH(ES) OR DIVISION(S)	AUTOMOTIVE PDTS &	WORTH F $1,884,000,000
MORRISTOWN NJ 07962	ENGINEERED	EMPLOYS 98,300
TEL: 201 455-2000	MATERIALS	(1,500 HERE)
		HISTORY CLEAR
	SIC NOS.	FINANCIAL
	37 24 38 12 37 28	CONDITION GOOD
	37 14 28 24 28 21	TREND DOWN

This report is submitted only to Roger Matthews Alan Voorhees for the purpose of confirming accuracy and is not to be exhibited or its contents revealed to anyone else.

CHIEF EXECUTIVE: LAWRENCE A BOSSIDY, CHB

PAYMENTS (Amounts may be rounded to nearest figure in prescribed ranges)

REPORTED	PAYING RECORD	HIGH CREDIT	NOW OWES	PAST DUE	SELLING TERMS	LAST SALE WITHIN
03/92	Ppt	5000	-0-	-0-	N30	1 Mo
	Ppt	5000	5000	-0-	N30	1 Mo
	Ppt	2500	-0-	-0-	N30	6-12 Mos
	Ppt	2500	-0-	-0-		4-5 Mos
	Ppt-Slow 30	7500	5000	-0-		1 Mo
	Ppt-Slow 30	7500	1000	100	N30	1 Mo
	Ppt-Slow 30	2500	1000	-0-		1 Mo
	Ppt-Slow 90	5000	1000	-0-		1 Mo
	Ppt-Slow 90	2500	1000	-0-	N30	1 Mo
	Slow 60-120	5000	-0-	-0-		2-3 Mos
02/92	Disc	15000	-0-	-0-		6-12 Mos
	Ppt	90000	60000	-0-	N30	1 Mo
	Ppt	80000	15000	-0-	N30	1 Mo
	Ppt	35000	2500	-0-		1 Mo
	Ppt	25000	500	-0-		1 Mo
	Ppt	25000	250	-0-	N30	1 Mo
	Ppt	20000	-0-	-0-	N30	6-12 Mos
	Ppt	15000	15000	-0-	1/2 10 N30	1 Mo
	Ppt	10000	-0-	-0-	N30	4-5 Mos
	Ppt	10000	1000	-0-	2 10 N30	1 Mo
	Ppt	7500	2500	-0-	2 10 N30	1 Mo
	Ppt	5000	2500	-0-		
	Ppt	5000	1000	-0-	2 10 N30	1 Mo
	Ppt	2500	-0-	-0-	N30	2-3 Mos
	Ppt	2500	2500	-0-		1 Mo
	Ppt	2500	-0-	-0-	1/2 10 N30	1 Mo
	Ppt	2500	1000	750		1 Mo
	Ppt	2500	-0-	-0-	N30	6-12 Mos
	Ppt	1000	750	-0-		1 Mo

	Ppt	1000	250	-0-	1 10 N30	1 Mo
	Ppt	1000	500	-0-		1 Mo
	Ppt	750	-0-	-0-		4-5 Mos
	Ppt	750	250	-0-	N30	1 Mo
	Ppt	750	100	-0-		1 Mo
	Ppt	750	250	-0-		1 Mo
	Ppt	750	750	-0-		1 Mo
	Ppt	750	-0-	-0-	1/2 10 N30	2-3 Mos
	Ppt	500	500	-0-		1 Mo
	Ppt	500	500	-0-	1/2 10 N30	1 Mo
	Ppt	250	250	-0-	N30	1 Mo
	Ppt	250	-0-	-0-	N30	2-3 Mos
	Ppt	100	-0-	-0-	N30	6-12 Mos
	Ppt	100	-0-	-0-		6-12 Mos
	Ppt	100	-0-	-0-	1/2 10 N30	6-12 Mos
	Ppt-Slow 15	35000	35000	15000	1 10 N30	1 Mo
	Ppt-Slow 15	2500	2500	1000		1 Mo
	Ppt-Slow 15	1000	1000	500		1 Mo
	Ppt-Slow 20	20000	10000	5000		1 Mo
	Ppt-Slow 20	2500	750	50		1 Mo
	Ppt-Slow 20	1000	-0-	-0-		6-12 Mos
	Ppt-Slow 30	200000	10000	2500	N30	1 Mo
	Ppt-Slow 30	100000	40000	2500	N30	1 Mo
	Ppt-Slow 30	70000	100	100		1 Mo
	Ppt-Slow 30	15000	2500	-0-	1/2 10 N30	1 Mo
	Ppt-Slow 30	10000	500	500	N30	1 Mo
	Ppt-Slow 30	10000	10000	7500		1 Mo
	Ppt-Slow 30	5000	1000	500	N30	1 Mo
	Ppt-Slow 30	2500	1000	750		1 Mo
	Ppt-Slow 30	500	500	-0-		1 Mo
	Ppt-Slow 120	10000	2500	500		1 Mo
	Slow 5	250000	35000			2-3 Mos
	Slow 30	80000	2500	-0-	1 10 N30	1 Mo
	Slow 30	35000	35000	30000	N30	1 Mo
	Slow 30	20000	-0-	-0-		6-12 Mos
	Slow 30	20000	-0-	-0-		6-12 Mos
	Slow 30	7500	-0-	-0-		4-5 Mos
	Slow 30	2500	2500	-0-		1 Mo
	Slow 30	1000	-0-	-0-		2-3 Mos
	Slow 30	750	100	-0-		1 Mo
	Slow 30	500	-0-	-0-		2-3 Mos
	Slow 30	250	-0-	-0-	2 10 N30	2-3 Mos
	Slow 30	100	-0-	-0-		6-12 Mos
	Slow 60	10000	-0-	-0-	N30	6-12 Mos
	Slow 60	7500	7500	7500	N30	2-3 Mos
	Slow 60	2500	250	250		1 Mo
	Slow 60	1000	-0-	-0-	N30	2-3 Mos
	Slow 90	45000	2500	2500		1 Mo
	Slow 30-120	1000	500	500	N30	1 Mo
01/92	Ppt	100000	100000	-0-		1 Mo
	Ppt	100000	-0-	-0-	N60	6-12 Mos

* Payment experiences reflect how bills are met in relation to the terms granted. In some instances payment beyond terms can be the result of disputes over merchandise, skipped invoices etc.

* Each experience shown represents a separate account reported by a

supplier. Updated trade experiences replace those previously reported.

FINANCE

A CONSULTING SERVICE IS AVAILABLE TO ASSIST YOU IN REVIEWING THIS ACCOUNT FURTHER. PLEASE CALL (800) 223 - 0141 TO SPEAK WITH A DUNS ACCOUNT CONSULTANT.

03/11/92

	Fiscal Consolidated Dec 31 1989	Fiscal Consolidated Dec 31 1990	Fiscal Consolidated Dec 31 1991
Curr Assets	4,351,000,000	4,316,000,000	4,129,000,000
Curr Liabs	3,286,000,000	3,424,000,000	3,603,000,000
Current Ratio	1.32	1.26	1.15
Working Capital	1,065,000,000	892,000,000	526,000,000
Other Assets	4,673,000,000	5,033,000,000	5,154,000,000
Long-term Liabs	3,644,000,000	3,652,000,000	3,796,000,000
Worth	2,094,000,000	2,273,000,000	1,884,000,000
Sales	11,942,000,000	12,343,000,000	11,831,000,000
Net Income (loss)	528,000,000	462,000,000	(273,000,000)
Depreciation & Amor	424,000,000	460,000,000	504,000,000
Capital Outlays	541,000,000	675,000,000	668,000,000

Fiscal Consolidated statement dated DEC 31 1991:

	(000s omitted)		(000s omitted)
Cash	$ 258,000	Accts Pay	$ 1,073,000
Accts Rec	1,445,000	Notes Pay	736,000
Inventory	1,996,000	Accruals	1,627,000
Other Curr Assets	450,000	Taxes	22,000
		L.T. Liab-(1yr)	145,000
	--------------		--------------
Curr Assets	4,129,000	Curr Liabs	3,603,000
Fixt & Equip	3,638,000	Long-term Debt	1,914,000
Investments-Other	1,179,000	Deferred Income Taxes	593,000
Excess Acquisition Costs	1,099,000	L.T. Liab-Other	1,289,000
Other Assets	337,000	COMMON STOCK	179,000
		ADDIT. PD.-IN CAP	2,568,000
		TRANSLATION ADJUSTMENT	65,000
		RETAINED EARNINGS	1,594,000
		TREASURY STOCK	(1,423,000)
	--------------		--------------
Total Assets	10,382,000	Total	10,382,000

From JAN 01 1991 to DEC 31 1991 sales $11,831,000,000; cost of goods sold $9,912,000,000. Gross profit $1,919,000,000; operating expenses $2,210,000,000. Operating income $(291,000,000); other income $167,000,000; other expenses $266,000,000; net income before taxes $(390,000,000). (net loss) $(273,000,000). Income tax benefit $117,000,000. Retained earnings at start $2,113,000,000. Net loss (273,000,000); dividends $218,000,000; other deductions $28,000,000; retained earnings at end $1,594,000,000.

Prepared from statement(s) by Accountant: Price Waterhouse, Morristown, NJ.

ACCOUNTANTS OPINION: "A review of the accountant's opinion indicates the financial statements meet generally accepted accounting principles and that the audit contains no qualifications".

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Item worth shown in summary section was computed after deduction of intangibles, excess acquisition costs, totaling $1,099,000,000.

Fixed assets shown net less $3,224,000,000 depreciation and amortization. Accounts receivable shown net less $29,000,000 allowance.

-----BALANCE SHEET ITEMS EXPLANATION (IN MILLIONS)-----.

INVENTORY: Consists of raw materials $628; work in process $773; finished products $956; supplies and containers $53; less progress payments ($285); and reduction to LIFO cost basis ($129).

OTHER CURRENT ASSETS: Consist principally of deferred taxes $343.

INVESTMENTS-OTHER: Consist of the company's oil and gas investment $591; investment in affiliates $443; and long-term receivables $145.

Investments are carried at the lower of cost or market, and in the case of affiliates over which significant influence is exercised, using the equity method of accounting.

OTHER ASSETS: Consist principally of pension assets.

NOTES PAYABLE: Consist of short-term borrowings $473; and commercial paper $263.

LONG-TERM DEBT-EXCLUSIVE OF CURRENT MATURITIES:.

ESOP Refunding Notes	$200.
ESOP Floating Rate Notes	182.
9 7/8% Sinking Fund Debentures due Dec 15 1997	1.
9 7/8% Debentures due Jun 1 2002	250.
9.20% Debentures due Feb 15 2003	100.
8.0% Subordinated Exchangeable Debentures	57.
Medium Term Notes due 1995-2001	153.
Zero Coupon Bonds and Notes due 1992-2009	222.
9 1/2% Debentures due Jun 1 2016	100.
Capitalized Lease Obligations	81.
Foreign Currency Bonds	309.
Industrial Development Bond Obligations	113.
Other	148.
Less Unamortized Discount	(2).

The schedule of principal payments on long-term debt is as follows: 1992-$145; 1993-$190; 1994-$224; 1995-$152; 1996-$170; thereafter $1,178.

REVOLVING CREDIT AGREEMENT: The company has a $1,350 revolving credit agreement dated Oct 7 1988, which was amended from $1,210 in 1991. The funds available under the revolving credit agreement may be used for any corporate purposes. The principal amount of such loans are required to be repaid no later than Oct 7 1994. Annually, the company may request that the maturity of the revolving credit agreement be extended by another year.

The company had no balance outstanding under the revolving credit agreement at Dec 31 1991, although it had been as high as $500 during the year. It also serves as support for issuance of commercial paper and certain notes under the company's Employee Stock Ownership funding program.

LONG-TERM LIABILITIES-OTHER: Consist principally of restructuring reserves and deferred revenue.

-----INCOME STATEMENT ITEMS EXPLANATION (IN MILLIONS)-----.

OTHER INCOME: Consists of earnings from oil and gas investment $121; and equity in income from affiliated companies $46.

OTHER EXPENSES: Consist principally of interest and other financial charges $257.

RETAINED EARNINGS-OTHER DEDUCTIONS: Consist principally of loss on treasury shares.

CONTINGENCIES: The company is subject to a number of investigations, lawsuits and claims (some of which involve substantial amounts) arising out of the conduct of its business, including those relating to commercial transactions, government contracts, product liability and environmental, safety and health matters.

In accordance with the company's accounting policy, generally liabilities are recorded for environmental matters following the completion of feasibility studies or the company's commitment to formal plans of action. Although the company does not currently possess sufficient information to reasonably estimate the amounts of the liabilities to be recorded upon future completion of studies, they may be significant to the consolidated results of operations.

While the ultimate results of investigations, lawsuits and claims involving the company cannot be determined, management does not expect that these matters will have a material adverse effect on the consolidated financial position of the company.

The company has issued or is a party to various direct and indirect guarantees, bank letters of credit and customer guarantees. Additionally, on behalf of The Henley Group Inc and Resco Holdings Inc (formerly an affiliate of Henley), the company has issued financial and contract performance guarantees. Such guarantees also relate to their affiliates and subsidiaries covering performance and repayment of debt.

However, the company is indemnified by Resco Holdings Inc for any payments which the company may be required to make under these obligations. Management does not expect these guarantees will have a material adverse effect on the consolidated financial position of the company.

On MAR 04 1992 Roger Matthews, asst treas, referred to the above figures.

----------RECONCILIATIONS (IN MILLIONS)----------.

TANGIBLE NET WORTH: At Dec 31 1991, the company's tangible net worth decreased $389 due to a decrease in retained earnings (net loss, dividends, and other deductions) $519; plus unfavorable translation adjustments $33; offset in part by a decrease in common stock held in the treasury $155; and a decrease in intangible assets, excess acquisition costs $8.

WORKING CAPITAL: At Dec 31 1991, the company's working capital position decreased $366 due to a decrease in the company's tangible net worth $389; plus an increase in noncurrent assets $121; offset in part by an increase in long-term liabilities $144.

Noncurrent assets increased primarily due to an increase in fixed assets due to the company's capital expenditure programs, as well as an increase in the company's oil and gas investment.

Long-term liabilities increased due to reserves for the company's streamlining and restructuring.

----------SELECTED OPERATING INFORMATION----------.

	1990	1991.
	----	----.
Sales - % Increase (Decrease)	3.4	(4.1).
Gross Profit Margin - % of Sales	17.2	16.2.
Operating Expenses - % of Sales	11.2	18.7.
Net Income - % of Sales	3.7	(2.3).

The U S recession and weakness in Europe impacted each of the company's three core businesses in 1991. As a result, net sales in 1991 for the company were $11,831 million, a decrease of $512 million from 1990 results. Of this decrease, $247 million was due to the deconsolidation of the high-density polyethylene (HDPE) business as a result of the formation of the Paxton joint venture in Jul 1990, partly offset by a $110 million increase reflecting sales from two 1991 automotive brake acquisitions. Excluding the impact of these changes, the net sales decrease of $375 million, or 3%, reflected lower sales volumes.

The net loss sustained for 1991 was attributed to a pretax charge of $907 million (after-tax $661 million) and is included in operating expenses and covers streamlining, restructuring and environmental charges and costs for the rationalization of facilities (SEE HISTORY-RECENT EVENTS).

----------SELECTED FINANCIAL INFORMATION----------.

	1990	1991.
	----	----.
Quick Ratio (Times)	.5	.5.
Collection Period (Days)	42.3	44.0.
Sales/Inventory (Times)	5.7	5.9.
Sales/NWC (Times)	13.8	22.5.
Debt/Tangible Net Worth (Times)	1.2	1.5.
Total Liabs/Tangible Net Worth (Times)	3.1	3.9.

----------ANALYST'S COMMENTS----------.

Trend is regarded as down at Dec 31 1991 due to the net loss sustained.

Due to the net loss sustained for 1991 as a result of charges recorded for the company's streamlining and restructuring program, the company's leverage position increased at Dec 31 1991. At Dec 31 1991, total debt of $2,795 million increased by $47 million, but long-term debt of $1,914 million decreased by $137 million. Total debt reflects higher amounts of commercial paper and higher borrowings under the ESOP program. The increased borrowings were partly offset by the retirement of $121 million of 9 7/8% debentures and repayments of private placement debt. During 1991, the company issued $153 million of medium-term notes and $100 million of 9.20% debentures which replaced $125 million of commercial paper and $125 million of borrowings under the company's revolving credit agreement.

Although the company's leverage position increased at Dec 31 1991, management projects that shareholders' equity should increase by $500 million plus in 1992 due to earnings retained and equity sales from the dividend investment plan and various employee plans. In addition, the company's debt position is projected to be reduced by at least $300 million helped in part by equity sales and with proceeds received from the sale of businesses as part of the company's streamlining and restructuring program. Based on the projected increase in stockholders' equity and debt reduction during 1992, the company's leverage position of total liabilities/tangible net worth should be at or below 3.0 times by the end of 1992. In addition, the company is continuing to pursue the sale of its interest in Union Texas Petroleum Holdings Inc and depending on the circumstances, a sale by the company may result in a substantial gain to and receipt of substantial cash by the company. Part of the proceeds from this sale will be used to further reduce debt, and the remainder will be invested.

The company's working capital position appears sufficient to support operations as noted in the company's generally prompt payment record. Net cash flow provided by operating activities in 1991 amounted to $750 million and is projected to be $150-$200 million higher in 1992.

PUBLIC FILINGS --

The following data is for information purposes only and is not the official record. Certified copies can only be obtained from the official source.

If it is indicated that there are defendants other than the report subject, the lawsuit may be an action to clear title to property and does not necessarily imply a claim for money against the subject.

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* * * SUIT(S) * * *

DOCKET NO.: 91CG2806
SUIT AMOUNT: $260,000 STATUS: Pending
PLAINTIFF: BARBARA BROWN DATE STATUS ATTAINED: 06/28/1991
DEFENDANT: ALLIED-SIGNAL INC DATE FILED: 06/28/1991
WHERE FILED: BALTIMORE COUNTY CIRCUIT COURT, RECEIVED BY D&B: 08/21/1991
BALTIMORE, MD

DOCKET NO.: 279598
PLAINTIFF: HELEN MILLER SCHULER STATUS: Pending
DEFENDANT: ALLIED SIGNAL AEROSPACE CO, DATE STATUS ATTAINED: 06/04/1991
TUCSON, AZ DATE FILED: 06/04/1991
WHERE FILED: PIMA COUNTY SUPERIOR COURT, RECEIVED BY D&B: 06/27/1991
TUCSON, AZ

DOCKET NO.: 279427
PLAINTIFF: ROBERT SEMPLE STATUS: Pending
DEFENDANT: ALLIED SIGNAL AEROSPACE COMPANY, DATE STATUS ATTAINED: 05/28/1991
TUCSON, AZ DATE FILED: 05/28/1991
WHERE FILED: PIMA COUNTY SUPERIOR COURT, RECEIVED BY D&B: 06/19/1991
TUCSON, AZ

DOCKET NO.: 91-0445-CV-W-6
SUIT AMOUNT: $100,512 STATUS: Pending
PLAINTIFF: HASTINGS CONSTRUCTION CO INC, DATE STATUS ATTAINED: 05/15/1991
KANSAS CITY, MO DATE FILED: 05/15/1991
DEFENDANT: ALLIED-SIGNAL INC COLLECTED BY D&B: 05/23/1991
CAUSE: Declaratory judgment

Breach of contract
Negligence
WHERE FILED: U S DISTRICT COURT - WESTERN DISTRICT OF MISSOURI, KANSAS CITY, MO

DOCKET NO.: 91-2155-D
SUIT AMOUNT: IN EXCESS OF $50,000 STATUS: Pending
PLAINTIFF: DAGMAR SWANSON DATE STATUS ATTAINED: 05/01/1991
DEFENDANT: ALLIED-SIGNAL INC DATE FILED: 05/01/1991
CAUSE: Civil Rights COLLECTED BY D&B: 05/14/1991
Wrongful discharge
WHERE FILED: U S DISTRICT COURT - DISTRICT OF KANSAS, KANSAS CITY, KS

DOCKET NO.: CV91-8197
PLAINTIFF: BOOKER FRANKLIN STATUS: Pending
DEFENDANT: ALLIED-SIGNAL INC DATE STATUS ATTAINED: 04/02/1991
CAUSE: Injunction DATE FILED: 04/02/1991
WHERE FILED: JACKSON COUNTY CIRCUIT COURT, COLLECTED BY D&B: 04/03/1991
KANSAS CITY, MO

DOCKET NO.: 277675
PLAINTIFF: WARREN WALDRIP STATUS: Pending
DEFENDANT: ALLIED SIGNAL INC, TUCSON, AZ DATE STATUS ATTAINED: 03/18/1991
WHERE FILED: PIMA COUNTY SUPERIOR COURT, DATE FILED: 03/18/1991
TUCSON, AZ RECEIVED BY D&B: 04/17/1991

DOCKET NO.: 000996-91
PLAINTIFF: WOHLERT, JOHN STATUS: Pending
DEFENDANT: ALLIED SIGNAL, INC DATE STATUS ATTAINED: 02/05/1991
and OTHERS DATE FILED: 02/05/1991
WHERE FILED: SUPERIOR COURT OF UNION COUNTY, RECEIVED BY D&B: 12/20/1991
ELIZABETH, NJ

DOCKET NO.: 90-2343C1
PLAINTIFF: SUPERIOR OIL CO INC, INDIANAPOLIS IN STATUS: Pending
DATE STATUS ATTAINED: 12/14/1990
DEFENDANT: ALLIED-SIGNAL INC, NEVADA, MO DATE FILED: 12/14/1990
CAUSE: ENVIRONMENTAL MATTERS. RECEIVED BY D&B: 12/26/1990
WHERE FILED: U S DISTRICT COURT, ST LOUIS, MO

DOCKET NO.: 90C12260
PLAINTIFF: RUTH EASTERBROOK & TERESA HARVEY STATUS: Pending
DEFENDANT: ALLIED-SIGNAL INC DATE STATUS ATTAINED: 10/30/1990
and OTHERS DATE FILED: 10/30/1990
CAUSE: Wrongful discharge COLLECTED BY D&B: 05/16/1991
WHERE FILED: JOHNSON COUNTY DISTRICT COURT, OLATHE, KS

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* * * LIEN(S) * * *

DOCKET NO.: 91696797
AMOUNT: $3,500 STATUS: Open
TYPE: County Mechanics DATE STATUS ATTAINED: 05/14/1991

FILED BY: GREENLEAF DEMOLITION & GRADING CO
DATE FILED: 05/14/1991
RECEIVED BY D&B: 06/06/1991
AGAINST: ALIED SIGNAL COMPANY, TORRANCE CA
WHERE FILED: LOS ANGELES COUNTY RECORDERS OFFICE, LOS ANGELES, CA

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* * * UCC FILING(S) * * *

COLLATERAL: Leased Negotiable instruments including proceeds and products - Leased Fixtures including proceeds and products - Leased Equipment including proceeds and products - Leased Communications equipment including proceeds and products
FILING NO: 1430885
DATE FILED: 12/09/1991
TYPE: Original
RECEIVED BY D&B: 02/24/1992
SEC. PARTY: M & SD FINANCIAL SERVCIES, LYNDHURST, NJ
FILED WITH: SECRETARY OF STATE/UCC DIVISION, NJ
DEBTOR: ALLIED SIGNAL INC

COLLATERAL: Leased Accounts receivable and proceeds - Leased Equipment and proceeds
FILING NO: 1405761
DATE FILED: 06/28/1991
TYPE: Original
RECEIVED BY D&B: 07/25/1991
SEC. PARTY: FORSYTHE/MCARTHUR ASSOCIATES INC, SKOKIE, IL
FILED WITH: SECRETARY OF STATE/UCC DIVISION, NJ
DEBTOR: ALLIED SIGNAL INC

FILING NO: 1405769
TYPE: Assignment
DATE FILED: 09/13/1991
SEC. PARTY: FORSYTHE/MACARTHUR ASSOCIATES INC, SKOKIE, IL
RECEIVED BY D&B: 11/01/1991
ORIG. UCC FILED: 06/28/1991
ASSIGNEE: FIRST BANK OF HIGHLAND PARK, HIGHLAND PARK, IL
ORIG. FILING NO: 1405761
FILED WITH: SECRETARY OF STATE/UCC DIVISION, NJ
DEBTOR: ALLIED-SIGNAL INC

COLLATERAL: Leased Inventory - Leased Proceeds - Leased Computer equipment
FILING NO: 90174451
DATE FILED: 07/09/1990
TYPE: Original
RECEIVED BY D&B: 08/06/1990
SEC. PARTY: FINALCO INCORPORATED, BOCA RATON, FL
FILED WITH: SECRETARY OF STATE/UCC DIVISION, CA
DEBTOR: ALLIED-SIGNAL INC, TORRANCE, CA

COLLATERAL: Leased Inventory
FILING NO: 100438437
DATE FILED: 02/12/1990
TYPE: Original
RECEIVED BY D&B: 04/02/1990
SEC. PARTY: BUSINESS CREDIT LEASING INC, MARSHALL, MN
FILED WITH: SECRETARY OF STATE/DEPARTMENT OF ASSESSMENT AND TAXATION/UCC DIVISION MD
DEBTOR: ALLIED SIGNAL AEROSPACE, BALTIMORE, MD

COLLATERAL: Specified Account(s) and products
FILING NO: 2885761
DATE FILED: 08/20/1991
TYPE: Original
RECEIVED BY D&B: 09/19/1991

SEC. PARTY: CANADIAN IMPERIAL BANK OF COMMERCE NEW YORK, NEW YORK, NY
FILED WITH: SECRETARY OF STATE/UCC DIVISION, IL
DEBTOR: ALLIED SIGNAL INC, METROPOLIS, IL

COLLATERAL: Specified Proceeds - Specified Computer equipment
FILING NO: 111838225
DATE FILED: 07/02/1991
TYPE: Original
RECEIVED BY D&B: 07/23/1991
SEC. PARTY: ATLANTIC INDUSTRIAL CREDIT CORP BALTIMORE, MD
FILED WITH: SECRETARY OF STATE/DEPARTMENT OF ASSESSMENT AND TAXATION/UCC DIVISION MD
ASSIGNEE: ANNAPOLIS NATIONAL BANK, ANNAPOLIS, MD
DEBTOR: ALLIED SIGNAL INC, COLUMBIA, MD

COLLATERAL: Leased Proceeds - Leased Computer equipment
FILING NO: 1398378
DATE FILED: 05/09/1991
TYPE: Original
RECEIVED BY D&B: 06/07/1991
SEC. PARTY: EL CAMINO RESOURCES LTD, NORTHRIDGE, CA
FILED WITH: SECRETARY OF STATE/UCC DIVISION, NJ
ASSIGNEE: COLUMBIA NATIONAL BANK, CHICAGO IL
DEBTOR: ALLIED-SIGNAL INC

COLLATERAL: Leased Proceeds - Leased Computer equipment
FILING NO: 1398379
DATE FILED: 05/09/1991
TYPE: Original
RECEIVED BY D&B: 06/07/1991
SEC. PARTY: EL CAMINO RESOURCES LTD, NORTHRIDGE, CA
FILED WITH: SECRETARY OF STATE/UCC DIVISION, NJ
ASSIGNEE: COLUMIA NATIONAL BANK, CHICAGO, IL
DEBTOR: ALLIED-SIGNAL INC

COLLATERAL: Leased Proceeds - Leased Computer equipment
FILING NO: 1389730
DATE FILED: 03/18/1991
TYPE: Original
RECEIVED BY D&B: 04/10/1991
SEC. PARTY: IFA INC, SCHAUMBURG, IL
FILED WITH: SECRETARY OF STATE/UCC DIVISION, NJ
DEBTOR: ALLIED-SIGNAL INC

COLLATERAL: Leased Proceeds - Leased Computer equipment
FILING NO: 1389443
DATE FILED: 03/14/1991
TYPE: Original
RECEIVED BY D&B: 04/10/1991
SEC. PARTY: FORSYTHE/MCARTHUR ASSOCIATES INC, SKOKIE, IL
FILED WITH: SECRETARY OF STATE/UCC DIVISION, NJ
ASSIGNEE: LIBERTY FEDERAL SAVINGS BANK, CHICAGO, IL
DEBTOR: ALLIED-SIGNAL INC

There are additional suits, liens, or judgments in D&B's file on this company available by contacting 1-800-DNB-DIAL.

There are additional UCC's in D&B's file on this company available by contacting 1-800-DNB-DIAL.

The public record items contained in this report may have been paid, terminated, vacated or released prior to the date this report was printed.

BANKING

01/92 Borrowing account.
01/92 Account(s) averages low 7 figures. Account maintained.
01/92 (Same bank)Account(s) averages high 5 figures. Account maintained.
01/92 (Same bank)Account(s) averages high 5 figures. Account maintained.
01/92 (Same bank)Account(s) averages low 5 figures. Account maintained.
01/92 (Same bank)Account(s) averages moderate 6 figures. Account maintained.
12/91 Account(s) averages medium 4 figures. Account open over 10 years.
10/91 Account maintained.
10/91 (Same bank)Account maintained.
10/91 (Same bank)Account maintained.
10/91 (Same bank)Account maintained.
10/91 (Same bank)Account maintained.
07/91 Account(s) averages low 5 figures. Account open over 5 years.
07/91 (Same bank)Account(s) averages medium 3 figures. Account open over 10 years.

(3-92) According to the company's annual report for Dec 31 1991, cash and cash equivalents were in a low 9 figure amount. The company has an unsecured $1,350 million revolving credit agreement with nothing outstanding at Dec 31 1991. Commercial paper borrowings totaled $263 million at Dec 31 1991 and is supported by the company's revolving credit agreement.

HISTORY

03/11/92

LAWRENCE A BOSSIDY, CHB-CEO+
ALAN BELZER, PRES-COO+
JOHN W DAY, EX V PRES
FREDERIC M POSES, EX V PRES
DANIEL P BURNHAM, EX V PRES
RALPH E REINS, EX V PRES
JOHN W BARTER, SR V PRES-CFO

DIRECTOR(S): The officers identified by (+) and Hans W Becherer, Edward J Boling, Jewel Plummer Cobb, Eugene E Covert, Donald W Davis, William R Haselton, Edward L Hennessy Jr, Gen Paul X Kelley, Robert D Kilpatrick, Robert P Luciano, Russell E Palmer, Lt Gen Thomas P Stafford, Delbert C Staley and Robert C Winters.

BUSINESS TYPE: Corporation - Profit
DATE INCORPORATED: 05/13/1985
STATE OF INCORP: Delaware

AUTH SHARES-COMMON: 500,000,000
PAR VALUE-COMMON: $1.0000

AUTHORIZED SHARES: 500,000,000 shares of common stock, $1.00 par value; and 20,000,000 shares of preferred stock, no par value.

OUTSTANDING CAPITAL STOCK: At Dec 31 1991 there were 179,093,731 common shares issued at a stated value of $179,000,000. No preferred shares issued. At the same date additional paid in capital was $2,568,000,000 and there were 40,943,996 common shares held in the treasury at a cost of $1,423,000,000.

BACKGROUND/OWNERSHIP: Business originally started in 1899. Present corporation formed to effect the merger of Allied Corporation (1920) and The Signal Companies Inc (1928).

On Sep 18 1985, the stockholders of Allied Corporation (Allied) and The Signal Companies Inc (Signal) voted to approve a merger of the two companies. Under the merger, on Sep 30 1985, Allied and Signal holders received stock in the new company on a share for share basis. Prior to the merger Allied purchased 22 million Signal shares for $45 each for a total of $990 million. The acquisition of Signal was valued at approximately $4.8 billion.

Under the merger agreement Allied-Signal Inc (Allied-Signal) was formed as a new company owning the capital stock of Allied and Signal, both of which were operated as subsidiaries. In a Jan 1986 restructuring move, Allied became a wholly-owned subsidiary of Signal, which continued as a wholly-owned subsidiary of Allied-Signal. Effective Sep 30 1987, Allied and Signal were both merged with and into Allied-Signal Inc, which assumed all the obligations of Allied and Signal.

This is a publicly owned company whose common stock is traded on the New York, Midwest and Pacific Stock Exchanges under the symbol "ALD". As of Dec 31 1991, there were 91,492 common shareholders. As of Feb 28 1991, officers and directors as a group beneficially owned less than 1.0% of the common stock, with the balance owned by the public. As of Dec 31 1991, all employees owned over 18% of the common stock.

RECENT EVENTS: In Mar 1992, the company announced that it has reached an agreement to sell its Endevco sensor unit in San Juan Capistrano, CA, to Meggitt plc for an undisclosed consideration.

On Oct 9 1991, the company announced a series of streamlining and restructuring actions which are designed to enhance profit margins, cash flow, productivity and quality, improve the management of working capital, reduce cycle times and streamline the organization, thereby strengthening the company's fundamental competitive position.

The program involves reducing the salaried work force by about 5,600 employees, including the elimination of management layers accross the organization, centralizing function in areas such as data processing, procurement, human resources, telecommunications and accounting, revising strategies of several business units and consolidating certain automotive manufacturing operations.

The program also includes divesting eight non-strategic small business units. Mainly as a result of these actions and certain environmental costs, the company recorded an $880 million pretax provision in the third quarter of 1991. In addition, in the second quarter of 1991, the company recorded a $27 million pretax provision to streamline and restructure the Brazilian automotive operations.

Also as part of the program, the board of directors lowered the regular quarterly dividend on the company's common stock from 45 cents a share to 25 cents, effective with the Dec 1991 dividend payment. This action will result in 1992 cash savings of $110 million based on the number of shares outstanding at Dec 31 1991.

In the first quarter of 1991, the company acquired the brake actuation and the turbocharger businesses of Piaggio & C, S.p.A. in Italy for an undisclosed consideration.

In Dec 1990, the company completed the acquisition of the brake friction material business of Valeo, Paris, France for a reported $74 million.

Effective Jul 1 1990, the company and Exxon Chemical Company formed a joint venture, Paxon Polymer Company, Baton Rouge, LA which manufactures and sells high-density polyethylene resins (HDPE).

----------MANAGEMENT BACKGROUND----------.

BOSSIDY born 1935. Graduated 1957 Colgate University, BA. 1957-Jun 1991 General Electric Company, various financial assignments, 1970 General Electric Credit Corporation, latterly executive vice president, 1981 executive vice president, General Electric Services and Materials, 1984 corporate vice chairman. Jul 1 1991-present Allied-Signal Inc, chief executive officer, Jan 1 1992 chairman and chief executive officer.

BELZER born 1932. Graduated 1953 New York University, BS. 1955-1987 Allied Corporation, various positions, 1983 executive vice president and president Engineered Materials Sector. 1985-present Allied-Signal Inc, executive vice president and president Engineered Materials, 1988 elected president and chief operating officer.

DAY born 1933. Graduated Northwestern University, BS in business administration. Prior to 1985 Chrysler Corporation, various positions, 1980 vice president and controller, 1981 executive vice president defense and international, 1982 executive vice president international and corporate staff. 1985-present Allied-Signal Inc, president Bendix Automotive Group, Jan 1989 executive vice president and president automotive, Nov 1991 executive vice president international.

POSES born 1942. Graduated 1965 New York University, BBA in finance. 1967-1969 United States Peace Corps. 1969-1985 Allied Corporation, various positions. 1985-present Allied-Signal Inc, president plastics and engineered materials division, 1986 president fibers division, 1988 executive vice president and president engineered materials.

BURNHAM born 1946. Graduated 1968 Xavier University, BS in economics. 1970 University of New Hampshire, MBA. 1976-1982 The Carborundum Company, corporate controller, 1979 director strategy development, 1980 marketing director abrasives, 1981 general manager Insulation Division. 1982-1985 Allied Corporation. 1985-present Allied-Signal Inc, various management positions, 1986 president Plastics & Performance Materials Division, 1988 president Fibers Division, 1990 president AirResearch Group, Jan 1992 executive vice president and president Allied-Signal Aerospace Company.

REINS born 1940. Graduated 1963 University of Michigan, BS in industrial and mechanical engineering. 1963-1972 Chevrolet, superintendent of manufacturing. 1972-1985 Rockwell International, various management positions, 1977 general manager Automotive Europe, 1979 vice president and general manager Axle International, 1982 president Axle Worldwide, 1984 president on-highway operations. 1985-1989 ITT Corporation, president and general manager ITT Automotive, 1986 president and chief executive officer ITT Automotive and senior vice president ITT Corporation. Jun 1989-Sep 1990 Mack Truck Incorporated, chairman, president and chief executive officer.

Oct 1990-Oct 1991 United Technologies Corporation, president automotive group. Nov 1991-present Allied-Signal Inc, executive vice president and president Allied-Signal Automotive.

BARTER born 1946. Graduated 1968 Spring Hill College, BS. 1973 Tulane University, MBA. 1968-1971 Elgin Air Force Base, Air Force armament laboratory physicist. 1973-1974 Allied Corporation. 1974-1977 Wachovia Bank & Trust Company, assistant vice president. 1977-1985 Allied Corporation, various financial management positions. 1985-present Allied-Signal Inc, vice president and controller, 1986 senior vice president planning, development and administration, 1988 senior vice president planning and finance, 1988 senior vice president and chief financial officer.

----------OUTSIDE DIRECTORS----------.

BECHERER. Chairman and chief executive officer, Deere & Company.

BOLING. President emeritus and university professor, The University of Tennessee.

COBB. President and professor of Biological Sciences, emerita, California State University, Fullerton.

COVERT. Professor, Aeronautics and Astronautics, Massachusetts Institute of Technology.

DAVIS. Chairman, The Stanley Works.

HASELTON. Retired vice chairman, Champion International Corporation.

HENNESSY JR. Former chairman, Allied-Signal Inc.

KELLEY. United States Marine Corps. Retired vice president, Cassidy and Associates Inc.

KILPATRICK. Retired chairman, CIGNA Corporation.

LUCIANO. Chairman and chief executive officer, Schering-Plough Corporation.

PALMER. Chairman and chief executive officer, The Palmer Group.

STAFFORD. United States Air Force, retired. Consultant, General Technical Services, Inc.

STALEY. Retired chairman and chief executive officer, NYNEX Corporation.

WINTERS. Chairman and chief executive officer, The Prudential Insurance Company of America.

ADDITIONAL OFFICERS: MARY L GOOD, senior vice president technology; PETER M KREINDER, senior vice president and general counsel; DAVID G POWELL, senior vice president public affairs; DONALD J REDLINGER, senior vice president human resources; JAMES E SIERK, senior vice president quality and productivity; EDWARD W CALLAHAN, vice president health, safety and environmental sciences; KENNETH W COLE, vice president government relations; G PETER D'ALOIA, vice president and treasurer; ANDREW B SAMET, vice president, secretary and associate general counsel; and J THOMAS ZUSI, vice president and controller.

SIGNIFICANT AFFILIATES: Union Texas Petroleum Holdings, Inc, Houston, TX, started 1982 (formerly wholly-owned, now 39% owned). Engaged in oil and gas exploration, development, production and petrochemical manufacturing. Intercompany relations: Occasional merchandise transactions settled as agreed.

In 1991, Union Texas Petroleum Holdings, Inc completed the sale of a substantial part of its U S businesses for approximately $871 million. Allied-Signal Inc reported a gain from these transactions of $69 million ($46 million after-tax). Allied-Signal Inc has previously reported that it will continue to pursue a sale of its interest in Union Texas Petroleum Holdings, Inc.

Paxton Polymer Company, Baton Rouge, LA, started 1990. Engaged in the manufacture of high-density polyethylene resins. Allied-Signal Inc has a 50% partnership interest along with Exxon Chemical Company. Intercompany relations consist of merchandise transactions settled as agreed.

Not really knowing more.

OPERATION
03/11/92

The company operates as a holding company and through its subsidiaries operates in the following business segments: Aerospace (45%), Automotive (35%), and Engineered Materials (20%).

Principal activities consist of the manufacture of primary propulsion and auxiliary power gas turbine aircraft engines (to include research and development); electronic aircraft control systems, environmental control system indicators, radar equipment, aircraft flight instruments; aircraft brakes; automotive disc and drum brakes, steering mechanisms; synthetic nylon and polyester fibers; and plastics (polyethylene resins).

Terms vary widely but are largely contract and net 30 days. Has 50,000 accounts. Sells to government agencies, aerospace, textile, petroleum, transportation, television and publishing industries. Territory : Primarily the United States, Europe and Canada. Foreign and export sales accounted for approximately 39% of 1991 sales. Nonseasonal.

EMPLOYEES: 98,300 including officers. 1,500 employed here.

FACILITIES: Owns 500,000 sq. ft. in multi story brick building in good condition.

LOCATION: Suburban business section on well traveled street. Premises consist of a group of multi storied brick buildings containing over 500,000 sq. ft. of floor space used for offices and administration. No manufacturing here.

BRANCHES: At Dec 31 1991, the company had over 450 locations consisting of plants, research laboratories and other facilities located worldwide.

SUBSIDIARIES: The company has numerous direct and indirect subsidiaries, majority wholly-owned, and engaged in the consolidated operations described above. Intercompany relations: Allied-Signal Inc supplies management services and there have also been occasional arms-length merchandise transactions between the subsidiaries repaid on regular terms, as well as intercompany personnel transfers.

ANALYST: J LENEGAN

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